

UNIFIED SCHOOL DISTRICT NO. 286

Sedan, Kansas

Financial Statements
and
Supplemental Information
with

Report of Independent Auditors

For the Year Ended June 30, 2014

Unified School District No. 286
Sedan, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2014

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 286
Sedan, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 286, Sedan, Kansas, as of and for the year ended June 30, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 286, Sedan, Kansas, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 286, Sedan, Kansas, as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 286, Sedan, Kansas, as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Prior Year Comparative Analysis

The 2013 Actual columns presented in the individual fund schedules of cash receipts and expenditures actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2014 financial statement upon which we rendered an unqualified opinion dated February 10, 2015. The 2013 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 financial statement or to the 2013 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 financial statement as a whole, on the basis of accounting described in Note 1.

Restricted Use

This report is intended solely for the information and use of the governing body and management of Unified School District No. 286, and for filing with the Kansas Department of Education, the Kansas Department of Administration, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns, LLC

February 10, 2015

Unified School District No. 286
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Year Ended June 30, 2014

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	\$ 10,812	61	2,900,312	2,911,122	63		63
Supplemental General		4,325		806,997	764,649	46,673	4,828	51,501
Special Purpose:								
At Risk (4 Year Old)		2,830		21,200	21,200	2,830		2,830
At Risk (K-12)		104		374,868	370,007	4,965		4,965
Capital Outlay		1,033,247		23,130	175,909	880,468	106,742	987,210
Driver Training		11,593		2,550	58	14,085		14,085
Food Service		57,582		223,141	225,901	54,822		54,822
Professional Development		380				380		380
Special Education		70,246		750,808	580,760	240,294		240,294
Vocational Education		1,008		84,110	83,118	2,000		2,000
KPERS Special Retirement Contribution				222,295	222,295			
Contingency Reserve		120,285				120,285		120,285
Textbook Rental		31,031		15,696	22,731	23,996		23,996
Recreation Commission		63		23,597	23,000	660		660
Rural Education Achievement Program		603		3,500	4,033	70		70
Special Mini-Grants		357		72,859	71,874	1,342		1,342
Low Income ESEA (Title I)				86,166	86,166			
Improving Teacher Quality (Title II-A)				30,655	30,655		16,085	16,085
Gate Receipts		8,625		48,303	52,921	4,007		4,007
Special Projects		13,755		11,862	9,046	16,571		16,571
Trusts:								
Save the Children				124,940	83,478	41,462	105	41,567
Total Primary Government	(1)	<u>1,366,846</u>	<u>61</u>	<u>5,826,989</u>	<u>5,738,923</u>	<u>1,454,973</u>	<u>127,760</u>	<u>1,582,733</u>
Composition of Cash:								
Certificates of Deposit								1,000,000
Demand Deposits								285,866
Due from St of Ks (Recognized per KSA 10-1116a)								332,928
Less: Agency Funds							(36,058)
Adjustment for Rounding							(3)
Total Primary Government	(1)							<u>1,582,733</u>

(1) Excluding Agency Funds

(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

Chautauqua Community Unified School District No. 286 is a municipal corporation governed by an elected seven-member board. This financial statement presents the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in this financial statement.

B. Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Regulatory Basis Fund Types:

General Fund—The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Bond and Interest Funds--to account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the school district.

Capital Project Funds--to account for financial resources to be used for the acquisition or construction of major capital facilities.

Trust funds – funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiver the requirement for application of generally accepted accounting and allowing the District to use the regulatory basis of accounting.

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statement. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statement.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments during the year ended June 30, 2014.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the School:

ESEA Low Income Title I Fund	Improving Teacher Quality Grant Fund
Special Mini-Grants Fund	Rural Education Achievement Prog. Fund
Contingency Reserve Fund	Gate Receipts Fund
Textbook Rental Fund	Special Projects Fund

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

E. Assets and Liabilities

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statement taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name. The School District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered, or for which the District or its agent in the District's name holds the securities. Category 2 includes uninsured and unregistered investments for which the dealer bank's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the dealer bank holds the securities. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year-end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a statutory basis fund when due, or when resources have been accumulated in the bond and interest fund for payment early in the following year. For other long-term obligations, only that portion which anticipates financing from expendable available financial resources is reported as a fund liability of a statutory basis fund.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. The county retains this interest.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 **Detail Notes on All Funds and Account Groups**

A. Assets:

Deposits and Investments

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 allows the School district to invest idle funds in time deposit-open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The school district has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the school district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the school district's deposits may not be returned to it. State statutes require the school district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%.

At June 30, 2014, the School's carrying amount of deposits was \$1,451,853 and the bank balance was \$1,576,950. The bank balance was held in one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,326,950 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the school district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured and the school district's investment policy requires 100% collateralization at all times.

Investments – As of June 30, 2014 the School held no investments.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles. The School has waived compliance until June 30, 2014, in accordance with K.S.A. 75-1120(a).

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

B. Liabilities:

Long-term Debt

General Obligation Bonds

Kansas Schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the School. The School's assessed valuation at June 30, 2014 not including motor vehicle valuation was \$ 23,036,283. The resulting debt limit was \$3,225,080.

Capital Lease Obligations

Changes in long-term liabilities for the School for the year ended June 30, 2014, were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
<u>OUTSTANDING OBLIGATIONS:</u>										
<u>Capital Leases:</u>										
School Bus	3.53%	8/24/2011	74,684	8/24/2016	57,819		7,546		50,273	2,036
School Bus	3.06%	8/24/2011	75,184	8/24/2014	50,913		11,532		39,381	1,553
Total Long-Term Debt					108,732	-	19,078	-	89,654	3,589
<u>Early Retirement Plans:</u>										
Exercised Options					7,429			17,043	24,472	

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

<u>Issue</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Totals</u>
<u>Principal:</u>				
<u>Capital Leases:</u>				
School Bus	7,812	8,087	34,374	50,273
School Bus	39,381			39,381
Total Principal	47,193	8,087	34,374	89,654
<u>Interest:</u>				
<u>Capital Leases:</u>				
School Bus	1,770	1,495	1,213	4,478
School Bus	1,202			1,202
Total Interest	2,972	1,495	1,213	5,680
Total Principal and Interest	50,165	9,582	35,587	95,334
<u>Early Retirement Plan:</u>				
Exercised Options	11,362	10,488	2,622	24,472

Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 75-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the school district allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the school district makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Early Professional Employee Retirement

The school district's professional employee early retirement plan provides the following:

1. Employee will have a single low option plan paid by the district through the month of their sixty fifth birthday if:
 - a. Employee has reached the age of sixty two and has 20 or more years of service
 - b. Employee has reached the age of sixty and has 25 or more years of service
2. Employee will have a single low option plan paid by the district for the first twelve months following their retirement school year if:
 - a. Employee has not reached the age of sixty and has 25 or more years of service

Other Employee Benefits

Leave Policy

The school district's leave policy allows crediting each employee with thirteen days leave per year to a maximum of seventy five days. At retirement certified employees with ten years or more of service are compensated for a maximum of thirty days of accumulated and unused leave days at the current substitute teacher pay rate. At the end of each contract year each certified employee is compensated for each unused leave day that is above the seventy five day maximum. The compensation rate is at the current substitute teacher rate.

C. Operating Transfers:

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 406,062
General Fund	Vocational Education Fund	K.S.A. 72-6428	82,000
General Fund	At Risk (K-12)	K.S.A. 72-6428	372,662
General Fund	At Risk (4 Year Old)	K.S.A. 72-6428	21,200
Supp. General	Special Education Fund	K.S.A. 72-6433	310,000
Supp. General	At Risk (K-12)	K.S.A. 72-6433	2,206
Supp. General	Food Service Fund	K.S.A. 72-6433	35,000

Note 3 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

No violations.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Unified School District No. 286
Sedan, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2014

Note 4 **In-substance receipt in Transit**

The District received \$332,928 subsequent to June 30, 2014, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014. \$318,306 of these receipts were for the General Fund and \$14,622 for the Supplemental General Fund. The total of these amounts is displayed in the "Composition of Cash" as "Due from State of Kansas".

Note 5 **Summary Disclosure of Significant Contingencies**

The School participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of February 10, 2015, grant expenditures have not been audited, but the School believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the School.

During the course of its operations, the School is a party to various claims, legal actions and complaints. It is the opinion of the School's management and legal counsel that these matters are not anticipated to have a material impact on the School.

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2013 to 2014, and there were no settlements that exceeded insurance coverage in the past three years.

Note 6 **Economic Dependency**

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

	Total <u>Revenue</u>	State <u>Aid</u>	%	Federal <u>Aid</u>	%
General Fund	\$ 2,900,312	2,496,102	86.1		
Supplemental General	806,997	247,762	30.7		
Other Funds	819,719	227,008	27.7	452,767	55.2

Note 7 **On Behalf Payments for Fringe Benefits**

The School recognizes as revenues and expenses cash contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the School's employees. For the year ended June 30, 2014, the State made cash contributions of \$22,295. These contributions are recorded in the School's KPERS Contribution Fund as receipts and disbursements.

The State of Kansas reports these transactions on the cash basis of accounting and does not recognize encumbrances (i.e. commitments for unpaid contributions) as expenditures. Accordingly, the transactions reported in the School's KPERS Contribution Fund does not recognize any amounts due from the State for committed but unpaid contributions as of June 30, 2014. The unrecognized encumbrances at June 30, 2014 are in the amount of \$117,725, and represent the contributions due from the State for the first and second quarters of the 2014 calendar year in the amounts of \$69,523 and \$48,202 respectively.

Unified School District No. 286
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2014

Schedule 1

		<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:							
General	\$	3,063,108	(151,985)		2,911,123	2,911,122	1
Supplemental General		764,650			764,650	764,649	1
Special Revenue:							
At Risk (4 Year Old)		21,200			21,200	21,200	
At Risk (K-12)		370,007			370,007	370,007	
Capital Outlay		1,140,000			1,140,000	175,909	964,091
Driver Training		9,100			9,100	58	9,042
Food Service		261,100		11,910	273,010	225,901	47,109
Professional Development		380			380		380
Special Education		795,598			795,598	580,760	214,838
Vocational Education		100,220		810	101,030	83,118	17,912
KPERS Special Retirement Contribution		256,112			256,112	222,295	33,817
Recreation Commission		23,000			23,000	23,000	
Totals		<u>6,804,475</u>	<u>(151,985)</u>	<u>12,720</u>	<u>6,665,210</u>	<u>5,378,019</u>	<u>1,287,191</u>

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 330,293	379,340	347,579	31,761
Delinquent Taxes	8,109	9,305	17,539	(8,234)
Total Revenue from Local Sources	338,402	388,645	365,118	23,527
Revenue from County Sources				
Revenue in Lieu of Taxes	8,993			
Revenue from State Sources				
State Financial Aid	2,093,773	2,090,040	1,980,249	109,791
Mineral Production Tax	13,560	15,564		15,564
Special Education Aid	455,627	406,063	554,945	(148,882)
Total Revenue from State Sources	2,562,960	2,511,667	2,535,194	(23,527)
Total Cash Receipts	2,910,355	2,900,312	2,900,312	
Expenditures and Transfers				
Instruction				
Certified Salaries	1,067,968	913,001	960,000	46,999
Non-Certified Salaries	35,757	7,679	36,000	28,321
Group Insurance	449	157,055		(157,055)
Social Security Contributions	80,752	64,078	80,000	15,922
Other Employee Benefits	34,042	16,971	34,000	17,029
Purchased Professional and Technical Services	1,574			
Other Miscellaneous Purchased Services	3,222	319	1,000	681
Supplies and Materials	4,191		1,500	1,500
Other	2,065	477	1,000	523
Total Instruction	1,230,020	1,159,580	1,113,500	(46,080)
Support Services - Students				
Certified Salaries	24,585		25,000	25,000
Social Security Contributions	1,811		1,950	1,950
Other Employee Benefits	53	76	65	(11)
Purchased Professional and Technical Services	3,010		3,000	3,000
Supplies and Materials	170	708		(708)
Property (Equipment & Furnishings)	400			
Other	25,798	20,682	10,000	(10,682)
Total Support Services - Students	55,827	21,466	40,015	18,549
Support Services - Instructional Staff				
Certified Salaries	35,095	38,700	35,500	(3,200)
Non-Certified Salaries	6,705	6,903	7,000	97
Group Insurance	6,603	9,800	6,650	(3,150)
Social Security Contributions	9,528	13,658	3,300	(10,358)
Other Employee Benefits	436	1,009	500	(509)
Purchased Professional and Technical Services	2,820		1,000	1,000
Other Purchased Services	1,902	863	1,000	137
Supplies and Materials		1,238		(1,238)
Books and Periodicals	520	39	500	461
Property (Equipment & Furnishings)	1,563			
Other	547	6	500	494
Total Support Services - Instructional Staff	65,719	72,216	55,950	(16,266)
Support Services - General Administration				
Certified Salaries	7,492	93,422	90,000	(3,422)
Group Insurance	7,605	5,393	7,600	2,207
Social Security Contributions	7,303	6,880	7,300	420
Other Employee Benefits	2,462	592	2,500	1,908
Purchased Professional and Technical Services	8,501	140	5,000	4,860
Purchased Property Services	5,622	772	5,000	4,228
Communication Services			16,000	16,000
Other Miscellaneous Purchased Services	2,447	981	500	(481)

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year			
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Supplies and Materials	\$	4,187	1,970	2,500	530
Property (Equipment & Furnishings)			280		(280)
Other		12,789	37,767	5,000	(32,767)
Total Support Services - General Administration		58,408	148,197	141,400	(6,797)
Support Services - School Administration					
Certified Salaries		121,500	122,418	107,000	(15,418)
Non-Certified Salaries		49,651	50,834	45,000	(5,834)
Group Insurance		15,064	15,977	15,000	(977)
Social Security Contributions		12,119	12,172	12,000	(172)
Other Employee Benefits		423	1,006	500	(506)
Purchased Professional and Technical Services				16,000	16,000
Purchased Property Services		1,239	1,527	500	(1,027)
Communication Services			1,026		(1,026)
Other Miscellaneous Purchased Services		749		500	500
Supplies and Materials		915	701	500	(201)
Property (Equipment & Furnishings)			299		(299)
Other		118	421	100	(321)
Total Support Services - School Administration		201,778	206,381	197,100	(9,281)
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		126,398	120,795	130,000	9,205
Group Insurance		22,978	20,103	23,000	2,897
Social Security Contributions		9,051	8,766	10,000	1,234
Other Employee Benefits			661		(661)
Purchased Professional and Technical Services		3,030	3,403	3,000	(403)
Water/Sewer Services (Non-Energy)		19,584		20,000	20,000
Repairs and Maintenance Services		2,035	3,891	2,500	(1,391)
Repair of Buildings		177			
Other Purchased Property Services		1,269	8,545	1,000	(7,545)
Other Miscellaneous Purchased Services				10,000	10,000
Supplies and Materials		17,128	15,268		(15,268)
Heating		26,342		28,000	28,000
Electricity		71,019		100,000	100,000
Other		4,368	4,368	3,500	(868)
Property (Equipment & Furnishings)		509	829		(829)
Other		2,467	1,077	1,500	423
Total Support Services - Plant Operation and Maintenance		306,355	187,706	332,500	144,794
Vehicle Operation Services					
Non-Certified Salaries		82,631	83,751	85,000	1,249
Social Security Contributions		6,133	5,922	6,500	578
Other Employee Benefits		139	284	150	(134)
Mileage in Lieu of Transportation		431			
Insurance Services			8,022		(8,022)
Motor Fuel		21,895		45,000	45,000
Equipment		6,833	3,112	1,500	(1,612)
Other		364	333		(333)
Total Vehicle Operation Services		118,426	101,424	138,150	36,726
Vehicle Servicing and Maintenance Services					
Non-Certified Salaries		15,562	20,158	30,000	9,842
Group Insurance		10,613	10,661	10,000	(661)
Social Security Contributions		1,128	1,456	2,295	839
Other Employee Benefits		966	1,215	900	(315)
Purchased Professional and Technical Services		2,696	4,944	3,000	(1,944)
Purchased Property Services			1,213		(1,213)
Supplies and Materials		4,824	3,996	3,000	(996)
Total Vehicle Servicing and Maintenance Services		35,789	43,643	49,195	5,552

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Other Student Transportation Services					
Non-Certified Salaries	\$	6,903	6,083	8,000	1,917
Social Security Contributions		541	464	612	148
Other Employee Benefits		28	33	30	(3)
Other Purchased Services		1,476	413	1,500	1,087
Total Other Student Transportation Services		<u>8,948</u>	<u>6,993</u>	<u>10,142</u>	<u>3,149</u>
Support Services - Business					
Non-Certified Salaries		38,952	39,171	60,000	20,829
Employee Benefits		19,751	25,955		(25,955)
Group Insurance		10,713	10,217	10,800	583
Social Security Contributions		2,774	2,733	3,000	267
Other Employee Benefits			237		(237)
Total Support Services - Business		<u>72,190</u>	<u>78,313</u>	<u>73,800</u>	<u>(4,513)</u>
Architectural and Engineering Services					
Architect Services			3,278		(3,278)
Fund Transfers					
Food Service				15,000	15,000
Special Education		455,627	406,063	703,351	297,288
Vocational Education		13,035	82,000	98,459	16,459
At Risk (4yr Old)			21,200		(21,200)
At Risk (K-12)		288,233	372,662	94,546	(278,116)
Total Fund Transfers		<u>756,895</u>	<u>881,925</u>	<u>911,356</u>	<u>29,431</u>
Budget Adjustments					
Legal Max Adjustment				(151,985)	(151,985)
Total Expenditures and Transfers		<u>2,910,355</u>	<u>2,911,122</u>	<u>2,911,123</u>	<u>1</u>
Receipts Over (Under)					
Expenditures and Transfers			(10,810)		
Unencumbered Cash, Beginning			10,812		
Prior Year Encumbrances Cancelled		10,812	61		
Unencumbered Cash, Ending		<u>10,812</u>	<u>63</u>		

Unified School District No. 286
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 4 of 23

For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 414,760	502,848	443,671	59,177
Delinquent Taxes	12,201	15,753	22,140	(6,387)
16/20M Truck Tax	4,014			
Other Revenue From Local Sources		1		1
Total Revenue from Local Sources	<u>430,975</u>	<u>518,602</u>	<u>465,811</u>	<u>52,791</u>
Revenue from County Sources				
Motor Vehicle Tax	50,626	40,093	54,151	(14,058)
Recreational Vehicle Tax	961	540	988	(448)
Revenue in Lieu of Taxes	8,402			
Total Revenue from County Sources	<u>59,989</u>	<u>40,633</u>	<u>55,139</u>	<u>(14,506)</u>
Revenue from State Sources				
Supplemental State Aid	296,783	247,762	243,700	4,062
Total Cash Receipts	<u>787,747</u>	<u>806,997</u>	<u>764,650</u>	<u>42,347</u>
Expenditures and Transfers				
Instruction				
Certified Salaries		42,052		(42,052)
Group Insurance	163,502		165,000	165,000
Supplies and Materials	16,089	75,461	20,000	(55,461)
Textbooks			20,000	20,000
Technology Supplies	30,791	732	20,000	19,268
Property (Equipment & Furnishings)	65,322	3,371	63,500	60,129
Total Instruction	<u>275,704</u>	<u>121,616</u>	<u>288,500</u>	<u>166,884</u>
Support Services - Instructional Staff				
Purchased Professional and Technical Services		94,504		(94,504)
Other Purchased Services			7,000	7,000
Property (Equipment & Furnishings)	6,415	19,437		(19,437)
Total Support Services - Instructional Staff	<u>6,415</u>	<u>113,941</u>	<u>7,000</u>	<u>(106,941)</u>
Support Services - General Administration				
Certified Salaries	85,047			
Communication Services	49,232		50,000	50,000
Other			50,000	50,000
Total Support Services - General Administration	<u>134,279</u>		<u>100,000</u>	<u>100,000</u>
Support Services - School Administration				
Other	20,291		20,300	20,300
Support Services - Plant Operation and Maintenance				
Water/Sewer Services (Non-Energy)		11,675		(11,675)
Repairs and Maintenance Services	69,797	8,798	50,000	41,202
Insurance Services	54,679			
Heating	86	31,019		(31,019)
Electricity	20,447	89,475		(89,475)
Total Support Services - Plant Operation and Maintenance	<u>145,009</u>	<u>140,967</u>	<u>50,000</u>	<u>(90,967)</u>
Vehicle Operation Services				
Motor Fuel	16,923	40,564		(40,564)
Vehicle Servicing and Maintenance Services				
Purchased Professional and Technical Services	13,450	355	10,000	9,645
Fund Transfers				
Food Service	40,000	35,000		(35,000)
Special Education	50,000	310,000		(310,000)
Vocational Education	36,985			
At Risk (4yr Old)			18,370	18,370
At Risk (K-12)	50,675	2,206	270,480	268,274
Total Fund Transfers	<u>177,660</u>	<u>347,206</u>	<u>288,850</u>	<u>(58,356)</u>
Total Expenditures and Transfers	<u>789,731</u>	<u>764,649</u>	<u>764,650</u>	<u>1</u>

Unified School District No. 286
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 5 of 23

For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Receipts Over (Under)				
Expenditures and Transfers	\$ (1,984)	42,348	
Unencumbered Cash, Beginning		1,894	4,325	
Prior Year Encumbrances Cancelled		4,415		
Unencumbered Cash, Ending		<u>4,325</u>	<u>46,673</u>	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$		21,200	18,370
Total Cash Receipts			21,200	18,370
Expenditures and Transfers				
Instruction				
Purchased Professional and Technical Services		9,573	21,200	21,200
Total Expenditures and Transfers		9,573	21,200	21,200
Receipts Over (Under)				
Expenditures and Transfers	(9,573)		
Unencumbered Cash, Beginning		12,403	2,830	
Unencumbered Cash, Ending		2,830	2,830	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$	288,232	372,662	94,546
Transfer from Supplemental General Fund		50,675	2,206	270,480
Total Cash Receipts		<u>338,907</u>	<u>374,868</u>	<u>365,026</u>
Expenditures and Transfers				
Instruction				
Certified Salaries		298,158	311,650	320,000
Non-Certified Salaries			15,036	(15,036)
Social Security Contributions		21,215	26,638	24,007
Other Employee Benefits		19,428	16,293	26,000
Supplies and Materials		2	390	(390)
Total Expenditures and Transfers		<u>338,803</u>	<u>370,007</u>	<u>370,007</u>
Receipts Over (Under)				
Expenditures and Transfers		104	4,861	
Unencumbered Cash, Beginning			104	
Unencumbered Cash, Ending		<u>104</u>	<u>4,965</u>	

Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Delinquent Taxes	\$	1,476	270	270
Earnings on Investments		6,023	4,260	8,000 (3,740)
Other Revenue From Local Sources		45,899	18,600	50,000 (31,400)
Total Cash Receipts		<u>53,398</u>	<u>23,130</u>	<u>58,000</u> (34,870)
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)		<u>98,082</u>	<u>4,978</u>	<u>150,000</u> 145,022
Support Services - Students				
Property (Equipment & Furnishings)		<u>11,289</u>	<u>542</u>	<u>10,000</u> 9,458
Support Services - Instructional Staff				
Property (Equipment & Furnishings)		<u>18,299</u>		<u>20,000</u> 20,000
Support Services - General Administration				
Property (Equipment & Furnishings)		<u>9,413</u>	<u>1,640</u>	<u>50,000</u> 48,360
Support Services - Plant Operation and Maintenance				
Property (Equipment & Furnishings)		<u>28,152</u>		<u>100,000</u> 100,000
Student Transportation Services				
Property (Equipment & Furnishings)		<u>55,512</u>	<u>101,358</u>	<u>140,000</u> 38,642
Facilities Acquisition and Construction Services				
Building Additions/Service Systems		24,250		
Building Repair and Remodeling		218,937	63,481	650,000 586,519
Architect Services				20,000 20,000
Total Facilities Acquisition and Construction Services		<u>243,187</u>	<u>63,481</u>	<u>670,000</u> 606,519
Architectural and Engineering Services				
Purchased Professional and Technical Services		<u>18,520</u>	<u>3,910</u>	(3,910)
Total Expenditures and Transfers		<u>482,454</u>	<u>175,909</u>	<u>1,140,000</u> 964,091
Receipts Over (Under)				
Expenditures and Transfers	(429,056)	(152,779)	
Unencumbered Cash, Beginning		<u>1,462,303</u>	<u>1,033,247</u>	
Unencumbered Cash, Ending		<u>1,033,247</u>	<u>880,468</u>	

Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$	2,883	2,550	2,990
Total Cash Receipts		<u>2,883</u>	<u>2,550</u>	<u>2,990</u>
Expenditures and Transfers				
Instruction				
Certified Salaries				7,500
Social Security Contributions				600
Supplies and Materials			58	1,000
Total Expenditures and Transfers		<u>58</u>	<u>58</u>	<u>9,100</u>
Receipts Over (Under)				
Expenditures and Transfers		2,883	2,492	
Unencumbered Cash, Beginning		<u>8,710</u>	<u>11,593</u>	
Unencumbered Cash, Ending		<u>11,593</u>	<u>14,085</u>	

Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Student Sales	\$	42,382	41,702	46,103	(4,401)
Adults and Non-Reimbursable Programs		5,501	6,118	4,146	1,972
Other Revenue From Local Sources		1,401	11	10,000	(9,989)
Total Revenue from Local Sources		<u>49,284</u>	<u>47,831</u>	<u>60,249</u>	<u>(12,418)</u>
Revenue from State Sources					
Other State Aid		<u>2,088</u>	<u>2,163</u>	<u>2,068</u>	<u>95</u>
Revenue from Federal Sources					
Passed Through State of Kansas		<u>130,591</u>	<u>138,147</u>	<u>126,237</u>	<u>11,910</u>
Operating Transfers					
Transfer from General Fund				15,000	(15,000)
Transfer from Supplemental General Fund		40,000	35,000		35,000
Total Operating Transfers		<u>40,000</u>	<u>35,000</u>	<u>15,000</u>	<u>20,000</u>
Total Cash Receipts		<u>221,963</u>	<u>223,141</u>	<u>203,554</u>	<u>19,587</u>
Expenditures and Transfers					
Support Services - Plant Operation and Maintenance					
Other Purchased Services			483	300	(183)
Other Miscellaneous Purchased Services	215	1,462			(1,462)
Supplies and Materials		293		200	(93)
Property (Equipment & Furnishings)		1,584			(1,584)
Other	19	814			(814)
Total Support Services - Plant Operation and Maintenance		<u>234</u>	<u>4,636</u>	<u>500</u>	<u>(4,136)</u>
Food Service Operations					
Non-Certified Salaries	79,006	76,214		80,000	3,786
Group Insurance	26,598	18,030		27,000	8,970
Social Security Contributions	3,981	4,089		6,120	2,031
Other Employee Benefits	223	448		300	(148)
Other Miscellaneous Purchased Services	475	1,032		500	(532)
Supplies and Materials	4,703	3,961			(3,961)
Food and Milk	96,259	116,271		120,680	4,409
Miscellaneous Supplies				3,000	3,000
Property (Equipment & Furnishings)				22,000	22,000
Other	1,246	1,220		1,000	(220)
Total Food Service Operations		<u>212,491</u>	<u>221,265</u>	<u>260,600</u>	<u>39,335</u>
Budget Credit Adjustment				11,910	11,910
Total Expenditures and Transfers		<u>212,725</u>	<u>225,901</u>	<u>273,010</u>	<u>47,109</u>
Receipts Over (Under)					
Expenditures and Transfers	9,238	(2,760)			
Unencumbered Cash, Beginning	48,161	57,582			
Prior Year Encumbrances Cancelled	183				
Unencumbered Cash, Ending	<u>57,582</u>	<u>54,822</u>			

Unified School District No. 286
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Miscellaneous	\$ 12			
Transfer from General Fund	(12)			
Operating Transfers				
Transfer from General Fund	12			
Total Cash Receipts	<u>12</u>			
Expenditures and Transfers				
Support Services - Instructional Staff				
Purchased Professional and Technical Services	450			
Purchased Property Services			380	380
Other Purchased Services	8,324			
Supplies and Materials	<u>203</u>			
Total Expenditures and Transfers	<u>8,977</u>		<u>380</u>	<u>380</u>
Receipts Over (Under)				
Expenditures and Transfers	(8,965)			
Unencumbered Cash, Beginning	<u>9,345</u>	<u>380</u>		
Unencumbered Cash, Ending	<u>380</u>	<u>380</u>		

Special Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 39,929	34,746	22,000	12,746
Operating Transfers				
Transfer from General Fund	455,627	406,062	703,351	(297,289)
Transfer from Supplemental General Fund	50,000	310,000		310,000
Total Operating Transfers	505,627	716,062	703,351	12,711
Total Cash Receipts	545,556	750,808	725,351	25,457
Expenditures and Transfers				
Instruction				
LEA Payments to COOP (Local Share)	118,275	168,781	245,801	77,020
LEA Payments to COOP (Flowthrough)	427,084	391,265	525,892	134,627
Supplies and Materials	317	116	300	184
Textbooks		627		(627)
Total Instruction	545,676	560,789	771,993	211,204
Support Services - Plant Operation and Maintenance				
Repairs and Maintenance Services		374		(374)
Vehicle Operation Services				
Non-Certified Salaries	9,793	11,879	10,000	(1,879)
Social Security Contributions	683	704	770	66
Other Employee Benefits	34	58	35	(23)
Insurance Services	787	650	800	150
Supplies and Materials		132		(132)
Motor Fuel	10,056	6,174	12,000	5,826
Total Vehicle Operation Services	21,353	19,597	23,605	4,008
Total Expenditures and Transfers	567,029	580,760	795,598	214,838
Receipts Over (Under)				
Expenditures and Transfers	(21,473)	170,048		
Unencumbered Cash, Beginning	91,719	70,246		
Unencumbered Cash, Ending	70,246	240,294		

Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Reimbursements	\$ 292	810		810
Miscellaneous	496	1,299	750	549
Total Revenue from Local Sources	788	2,109	750	1,359
Operating Transfers				
Transfer from General Fund	13,035	82,001	98,459	(16,458)
Transfer from Supplemental General Fund	36,984			
Total Operating Transfers	50,019	82,001	98,459	(16,458)
Total Cash Receipts	50,807	84,110	99,209	(15,099)
Expenditures and Transfers				
Instruction				
Certified Salaries	33,152	67,959	80,000	12,041
Group Insurance	5,789	51	5,800	5,749
Social Security Contributions	3,191	4,831	6,120	1,289
Other Employee Benefits	96	325	100	(225)
Tuitions			2,700	2,700
To Other LEA's Within the State	2,726	1,901		(1,901)
Supplies and Materials	4,845	6,965	5,500	(1,465)
Property (Equipment & Furnishings)		670		(670)
Total Instruction	49,799	82,702	100,220	17,518
Support Services - Instructional Staff				
Technology Supplies		416		(416)
Budget Credit Adjustment			810	810
Total Expenditures and Transfers	49,799	83,118	101,030	17,912
Receipts Over (Under)				
Expenditures and Transfers	1,008	992		
Unencumbered Cash, Beginning		1,008		
Unencumbered Cash, Ending	1,008	2,000		

Gifts and Grants Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Donations	\$			2,000 (2,000)
Total Cash Receipts				2,000 (2,000)
Expenditures and Transfers				
Instruction				
Other		840		2,000 2,000
Total Expenditures and Transfers		840		2,000 2,000
Receipts Over (Under)				
Expenditures and Transfers	(840)		
Unencumbered Cash, Beginning		840		
Unencumbered Cash, Ending				

Unified School District No. 286
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 211,664	222,295	256,112	(33,817)
Total Cash Receipts	<u>211,664</u>	<u>222,295</u>	<u>256,112</u>	<u>(33,817)</u>
Expenditures and Transfers				
Instruction				
Employee Benefits	<u>146,826</u>	<u>154,837</u>	<u>169,858</u>	<u>15,021</u>
Support Services - Students				
Employee Benefits	<u>1,375</u>	<u>1,707</u>	<u>3,026</u>	<u>1,319</u>
Support Services - Instructional Staff				
Employee Benefits	<u>4,195</u>	<u>4,335</u>	<u>5,145</u>	<u>810</u>
Support Services - General Administration				
Employee Benefits	<u>9,348</u>	<u>9,467</u>	<u>10,895</u>	<u>1,428</u>
Support Services - School Administration				
Employee Benefits	<u>16,736</u>	<u>21,309</u>	<u>18,401</u>	<u>(2,908)</u>
Support Services - Plant Operation and Maintenance				
Employee Benefits	<u>12,172</u>	<u>11,967</u>	<u>15,738</u>	<u>3,771</u>
Student Transportation Services				
Employee Benefits	<u>10,948</u>	<u>10,959</u>	<u>16,101</u>	<u>5,142</u>
Support Services - Business				
Employee Benefits	<u>3,848</u>		<u>7,264</u>	<u>7,264</u>
Food Service Operations				
Employee Benefits	<u>6,216</u>	<u>7,714</u>	<u>9,684</u>	<u>1,970</u>
Total Expenditures and Transfers	<u>211,664</u>	<u>222,295</u>	<u>256,112</u>	<u>33,817</u>
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 286
Contingency Reserve Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Certified Salaries	36,301	
Supplies and Materials	2,334	
Total Instruction	38,635	
Food Service Operations		
Food and Milk	14,906	
Total Expenditures and Transfers	53,541	
Receipts Over (Under)		
Expenditures and Transfers	(53,541)	
Unencumbered Cash, Beginning	173,826	120,285
Unencumbered Cash, Ending	120,285	120,285

Unified School District No. 286
Textbook Rental Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Student Fees	\$ 9,045	13,027
Other Revenue From Local Sources	55	2,669
Total Cash Receipts	<u>9,100</u>	<u>15,696</u>
Expenditures and Transfers		
Instruction		
Other Revenue From Local Sources		6,078
Supplies and Materials	1,016	6,554
Textbooks	8,118	9,104
Property (Equipment & Furnishings)	28,984	163
Equipment	2,611	832
Total Expenditures and Transfers	<u>40,729</u>	<u>22,731</u>
Receipts Over (Under)		
Expenditures and Transfers	(31,629)	(7,035)
Unencumbered Cash, Beginning	62,546	31,031
Prior Year Encumbrances Cancelled	114	
Unencumbered Cash, Ending	<u>31,031</u>	<u>23,996</u>

Unified School District No. 286
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	18,842	20,957	19,953	1,004
Delinquent Taxes		679	790	1,006	(216)
16/20M Truck Tax		207			
Total Revenue from Local Sources		<u>19,728</u>	<u>21,747</u>	<u>20,959</u>	<u>788</u>
Revenue from County Sources					
Motor Vehicle Tax		2,491	1,825	2,460	(635)
Recreational Vehicle Tax		47	25	45	(20)
Revenue in Lieu of Taxes		497			
Total Revenue from County Sources		<u>3,035</u>	<u>1,850</u>	<u>2,505</u>	<u>(655)</u>
Total Cash Receipts		<u>22,763</u>	<u>23,597</u>	<u>23,464</u>	<u>133</u>
Expenditures and Transfers					
Community Services Operations					
Community Service Operations		22,700	23,000	23,000	
Total Expenditures and Transfers		<u>22,700</u>	<u>23,000</u>	<u>23,000</u>	
Receipts Over (Under)					
Expenditures and Transfers		63	597		
Unencumbered Cash, Beginning			63		
Unencumbered Cash, Ending		<u>63</u>	<u>660</u>		

Unified School District No. 286
Rural Education Achievement Program Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Direct From Federal Government	\$ 16,567	3,500
Total Cash Receipts	<u>16,567</u>	<u>3,500</u>
Expenditures and Transfers		
Instruction		
Supplies and Materials	15,969	4,033
Total Expenditures and Transfers	<u>15,969</u>	<u>4,033</u>
Receipts Over (Under)		
Expenditures and Transfers	598	(533)
Unencumbered Cash, Beginning	<u>5</u>	<u>603</u>
Unencumbered Cash, Ending	<u><u>603</u></u>	<u><u>70</u></u>

Unified School District No. 286
Special Mini-Grants Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 52,490	72,859
Total Cash Receipts	<u>52,490</u>	<u>72,859</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	19,018	37,000
Social Security Contributions	34	216
Supplies and Materials	18,143	34,658
Total Expenditures and Transfers	<u>37,195</u>	<u>71,874</u>
Receipts Over (Under)		
Expenditures and Transfers	15,295	985
Unencumbered Cash, Beginning	(14,938)	357
Unencumbered Cash, Ending	<u>357</u>	<u>1,342</u>

Unified School District No. 286
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 87,255	86,166
Total Cash Receipts	<u>87,255</u>	<u>86,166</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	61,729	61,621
Employee Benefits		14,474
Social Security Contributions	14,446	
Other Purchased Services	317	
Supplies and Materials	<u>10,763</u>	<u>10,071</u>
Total Expenditures and Transfers	<u>87,255</u>	<u>86,166</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Prior Year Encumbrances Cancelled	_____	_____
Unencumbered Cash, Ending	=====	=====

Unified School District No. 286
Improving Teacher Quality (Title II-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2014
(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 31,941	30,655
Total Cash Receipts	<u>31,941</u>	<u>30,655</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	413	6,355
Social Security Contributions	28	1,067
Purchased Professional and Technical Services	31,512	18,350
General Supplies and Materials		739
Other		4,144
Total Expenditures and Transfers	<u>31,953</u>	<u>30,655</u>
Receipts Over (Under)		
Expenditures and Transfers	(12)	
Unencumbered Cash, Beginning		
Prior Year Encumbrances Cancelled	<u>12</u>	
Unencumbered Cash, Ending	<u><u> </u></u>	<u><u> </u></u>

Unified School District No. 286
Sedan, Kansas

Schedule 3

District Activity Funds
Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2013

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
High School:				
Class of '12	\$ 1,000			1,000
Class of '13	1,755	8,507	9,648	614
Class of '14	967	5,477	4,689	1,755
Class of '15	964	143	67	1,040
Class of '16	515	300		815
Class of '17	154	247		401
Class of '18		115		115
FCCLA	2,687	10,221	11,255	1,653
Cheerleader				
National Honor Society	472		103	369
Lettermen	1,127	313	136	1,304
Band	731	4,092	3,996	827
SH Cheerleaders	221	4,721	3,779	1,163
Speech	521	122	544	99
SH Stucco	1,154	3,016	3,014	1,156
Vocal	98	18,074	16,459	1,713
FFA	7,874	24,387	19,966	12,295
Alpha Beta Gamma	319			319
Skills USA	519			519
JH Cheerleaders	1,759	4,032	3,848	1,943
JH Stucco	363	156	251	268
Peer Tutors	322		159	163
Program	2,400	3,391	4,135	1,656
Investment Interest		25		25
Elementary:				
Elem Stucco	2,081	3,083	3,655	1,509
Accelerated Reader	1,096			1,096
Total Student Organizations	<u>29,099</u>	<u>90,422</u>	<u>85,704</u>	<u>33,817</u>
Other Agency Funds:				
High School:				
Sales Tax		4,116	4,116	
Total Other Agency Funds:	<u>-</u>	<u>4,116</u>	<u>4,116</u>	<u>-</u>
Total Agency Funds	<u>29,099</u>	<u>94,538</u>	<u>89,820</u>	<u>33,817</u>

Sedan, Kansas

District Activity Funds

Statement of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended June 30, 2014

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
High School:				
Class of '12	\$ 1,000			1,000
Class of '13	614		150	464
Class of '14	1,755	8,012	8,973	794
Class of '15	1,041	4,523	4,255	1,309
Class of '16	815	310		1,125
Class of '17	401	857	126	1,132
Class of '18	115	240		355
Class of '19		160		160
FCCLA	1,653	14,995	14,164	2,484
Cheerleader				
National Honor Society	369		80	289
Lettermen	1,304	369	610	1,063
Band	827	22,786	21,571	2,042
SH Cheerleaders	1,163	4,557	5,008	712
Speech	99	228	75	252
SH Stucco	1,156	2,136	2,514	778
Vocal	1,713	12,102	12,837	978
FFA	12,296	25,141	25,285	12,152
Alpha Beta Gamma	319			319
Skills USA	519			519
JH Cheerleaders	1,943	4,855	5,073	1,725
JH Stucco	268	358	119	507
Peer Tutors	163		122	41
Program	1,655	2,115	382	3,388
Investment Interest	25		25	
Elementary:				
Elem Stucco	1,509	3,172	3,073	1,608
Accelerated Reader	1,096		233	863
Total Student Organizations	<u>33,818</u>	<u>106,916</u>	<u>104,675</u>	<u>36,059</u>
Other Agency Funds:				
High School:				
Sales Tax		193	193	
Total Other Agency Funds:	<u>-</u>	<u>193</u>	<u>193</u>	<u>-</u>
Total Agency Funds	<u><u>33,818</u></u>	<u><u>107,109</u></u>	<u><u>104,868</u></u>	<u><u>36,059</u></u>